MICHIGAN STATE UNIVERSITY
PRESIDENT'S EMPLOYMENT CONTRACT

This Employment Agreement ("**Agreement**") by and between Michigan State University ("**University**") and Samuel L. Stanley Jr., M.D. ("**Dr. Stanley**") (together, the "**Parties**") is effective as of May 28, 2019 (the "**Effective Date**"). As of the Effective Date, it supersedes and replaces any and all other agreements or understandings related to the subject matter of this Agreement.

1. Term.

The University agrees to employ Dr. Stanley as President. This appointment is a twelve-month managerial position. The initial five (5) year term of this Agreement will commence on August 1, 2019, or on such earlier date at the discretion of Dr. Stanley and the Board of Trustees (the "**Start Date**") and expire on July 31, 2024, unless terminated earlier or renewed as provided for herein (the "**Term**"). The Board of Trustees of the University (the "**Board of Trustees**") will publicly announce Dr. Stanley's appointment as President of the University on May 28, 2019. The Board of Trustees shall meaningfully consult with Dr. Stanley in connection with such announcement, and any other announcement regarding Dr. Stanley's employment (other than in connection with any termination of his employment for Cause (as defined below).

2. Renewal.

Dr. Stanley and the University agree to commence discussions no later than one (1) year before the expiration of the Term to determine whether they agree to extend this Agreement. If the Parties do not agree in writing to extend the Term, Dr. Stanley's appointment as President will terminate on July 31, 2024.

3. Duties.

Dr. Stanley shall report directly to the Board of Trustees and shall perform those services and duties that are customarily performed by presidents of public colleges and universities comparable in size, type, and mission to the University, and any such duties and responsibilities that reasonably may be assigned or delegated to Dr. Stanley from time to time by the Board of Trustees or Committee of the Board of Trustees consistent with his position as President, including, but not limited to the following: (a) institutional, faculty, and educational leadership and management; (b) fostering positive external relationships with federal, state and local governments; (c) fundraising, development, and public and alumni relations; (d) long-range and strategic planning and budget formulation; (e) administration of personnel and the affairs of the University consistent with Board of Trustees policy; and (f) development of the regulations, rules, and procedures necessary for the appropriate administration of the University (collectively, "**Duties**").

Dr. Stanley acknowledges and agrees that he shall be accountable to the Board of Trustees for the entirety of the Term and he shall communicate with the Board of Trustees on a regular and continuing basis.

Dr. Stanley shall devote substantially all of his business time and efforts to fulfilling his duties as President of the University, except as set forth below in Section 4.

4. Outside Activities.

Dr. Stanley may serve on one (1) outside compensated board that does not compete or present a conflict of interest with respect to the University, subject to the prior written approval of the Chair of the Board of Trustees, such approval not to be unreasonably withheld. In addition, other outside commitments (whether paid or unpaid) that may require a substantial amount of the President's time must be approved in advance and in writing by the Chair of the Board of Trustees. Dr. Stanley may not engage in any outside activity that the Board of Trustees reasonably concludes presents a conflict of interest or would otherwise materially impair his ability to perform his Duties. All compensation received by Dr. Stanley in connection with approved outside activities shall be paid to and retained by Dr. Stanley and reported in accordance with applicable tax law and University policies as they exist from time to time, with no effect on the amount of salary, benefits or other compensation to which Dr. Stanley may be entitled under this Agreement. By contrast, all honoraria, gifts or other payments received for activities conducted in Dr. Stanley's capacity and in the performance of his duties as President shall be remitted to the University (whether such standard is met shall be subject to good faith determination by the Chair of the Board of Trustees).

5. Compensation.

a. Annual Base Salary. As compensation for the services to be performed by Dr. Stanley as President of the University, pursuant to this Agreement, the University will pay to him an initial annual base salary of $800,000 (the "**Base Salary**"), in accordance with the University's standard payroll practices for twelve month appointments as in effect from time to time. Annually during the Term, the Board of Trustees will consider, in its discretion, whether to increase (but not decrease) Dr. Stanley's Base Salary. In the event the Board of Trustees determines that an increase in Dr. Stanley's Base Salary is warranted, such increased amount shall thereafter become Dr. Stanley's Base Salary.

b. Performance Incentive. The Board of Trustees may, consistent with its findings following the annual performance review provided for in Section 6 below, authorize an annual bonus of up to 20% of Dr. Stanley's annual base salary based on the Board of Trustees' evaluation of the extent to which performance goals, mutually agreed to by Dr. Stanley and the Board of Trustees, have been satisfied. The Board of Trustees shall pay the annual bonus, if any, to Dr. Stanley within sixty (60) days of the determination to award such bonus, but in any event not outside the time frame required to meet the short term deferral rule under Section 409A of the Internal Revenue Code of 1986, as amended.

c. Deferred Compensation. Provided that Dr. Stanley is employed continuously as President until the end of the Term, the University will contribute $100,000 each contract year to an appropriate deferred compensation plan which shall vest and become payable to Dr. Stanley at the end of the Term of this Agreement, provided Dr. Stanley is still employed in the position of President of the University on such date.

6. Annual Evaluation

The Budget and Finance Committee of the Board of Trustees shall conduct an annual evaluation of Dr. Stanley's performance, with input from Dr. Stanley, based upon mutually agreed upon goals for the twelve (12) month period preceding the evaluation pursuant to best practices as recommended by the Association of Governing Boards of Universities and Colleges ("**AGB**").

7. Benefits and Reimbursements.

a. Standard Benefits. The University shall provide Dr. Stanley and his family with health insurance benefits, including medical and dental insurance, in accordance with University plans and benefits. The University also shall provide Dr. Stanley with access to standard retirement plans, disability insurance, group term life insurance, long term care insurance, and other benefits generally available to University management, subject to the eligibility requirements of such plans and programs.

b. Retirement Contribution. The University shall contribute $28,000 annually to Dr. Stanley's retirement plan.

c. Vacation. Dr. Stanley shall be entitled to the same vacation benefit as other senior University officials in twelve-month managerial positions.

d. Transportation. The Board of Trustees shall furnish Dr. Stanley with a vehicle from the University Department of Police and Public Safety, with a driver, for travel in connection with Dr. Stanley's official University duties.

In addition, the Board of Trustees shall provide Dr. Stanley with a General Motors vehicle of his choice for his personal use. Should this vehicle be used on behalf of the University, mileage for each such trip shall be provided to the Chief Financial Officer of the University on an annual basis.

e. Memberships. The University shall provide Dr. Stanley with annual memberships for the length of the Term at the University Club and Country Club of Lansing.

f. Business Expenses, University Events and Travel. The University shall pay or reimburse Dr. Stanley for business expenses incurred by Dr. Stanley on

behalf of the University in the performance of his Duties, the costs associated with hosting University events, as well as his travel associated with his University Duties, responsibilities, and University events. Dr. Stanley shall provide the Chair of the Board of Trustees with documentation of his business, hosting and travel expenses on an annual basis.

g. Spousal Travel. The University shall pay or reimburse Dr. Stanley's spouse for all travel that is of benefit to the University. Dr. Stanley shall provide the Chair of the Board of Trustees with documentation of his spouse's travel expenses on an annual basis.

h. Annual Physical Examination. Dr. Stanley shall have an annual physical examination conducted by a physician of his choice. Dr. Stanley must report his compliance with this Section to the Board of Trustees. The results of the physical examination shall remain confidential to Dr. Stanley. Should this annual physical examination occur at an out-of-town facility, the University will cover Dr. Stanley's travel expenses.

i. Sporting Event Tickets. The University shall provide Dr. Stanley, his spouse, and guests with tickets to all sporting events for University teams.

j. Indemnification. As an officer of the University, you will be provided indemnification to the maximum extent permitted by the University's governing documents, with such indemnification to be on the same terms provided to other senior officers.

8. Housing.

The University requires, consistent with Section 119 of the U.S. Internal Revenue Code, for the sole benefit and convenience of the University in having the functions of the Office of the President efficiently discharged, and as a condition of his employment as President of the University, that Dr. Stanley reside in housing owned by the University, and provided by, or arranged for by, the University commensurate with Dr. Stanley's role as President. Dr. Stanley agrees to maintain the University provided housing as his principal residence throughout the Term (the "**Residence**").

The University will pay for all maintenance and operating expenses for the Residence, including grounds keeping, general maintenance, housekeeping, all utilities including phone, cable, internet, electric, gas and water as well as adequate insurance covering the property. Dr. Stanley is responsible for insuring his and his family's personal possessions. The University will be responsible for ensuring that all real estate and other housing related tax liabilities are paid.

The University shall reimburse Dr. Stanley for reasonable moving expenses associated with the relocation of Dr. Stanley and his family to the Residence. Such expenses include, without limitation, storage for the first contract year for any personal furnishings or other belongings that cannot reasonably be accommodated or put to use at the Residence. All

expenses reasonably incurred by Dr. Stanley and his family in vacating the Residence following the expiration of the Term or any termination due to death or Disability or by the University without Cause or by Dr. Stanley with Good Reason (as defined herein) also will be paid or reimbursed by the University.

If Dr. Stanley terminates this Agreement pursuant to Section 11(c) below prior to its natural expiration, Dr. Stanley's right to use the Residence will terminate on the date on which Dr. Stanley's presidency has ended. In the context of termination under any other circumstances, Dr. Stanley's right to use the Residence will terminate within thirty (30) calendar days after the date on which his presidency has ended unless otherwise specified herein.

9. NCAA.

Dr. Stanley expressly acknowledges and agrees that, as President of an NCAA institution, he must cooperate fully with and assist the NCAA enforcement staff, the Committee on Infractions and the Infractions Appeals Committee to further the objections of the NCAA and its infraction program, including in the investigation and adjudication of a case.

10. Taxes.

Dr. Stanley shall certify to the Board of Trustees on an annual basis that he has paid his federal, state, and local taxes in full.

11. Termination. This Agreement and Dr. Stanley's appointment as President may be terminated as follows:

a. Termination For Cause. The Board of Trustees may terminate this Agreement at any time for Cause upon written notice to Dr. Stanley. For purposes of this Agreement, "Cause" means conduct by the President that, in the reasonable judgment of three quarters of the full Board of Trustees: (i) constitutes Dr. Stanley's failure, refusal, or unwillingness to perform his Duties as set forth in this Agreement in a manner that is materially detrimental to the University (financially or otherwise); (ii) constitutes a material breach of this Agreement that causes substantial damage or harm to the University; or (iii) constitutes an act or omission that is a felony, fraudulent, or otherwise involves material dishonesty, that in the Board of Trustees' reasonable judgment, will have a materially adverse impact on the University.

   Provided, however, that no Cause shall exist for purposes of Sections 11(a)(i) and 11(a)(ii) until Dr. Stanley is provided written notice detailing the alleged basis for a termination for Cause and Dr. Stanley fails to cure the alleged Cause within thirty (30) days (if capable of cure).

   Further provided, however, that upon receipt of notice of termination for Cause, absent cure as to any such Cause that is capable of cure, and otherwise in the event of notice of termination pursuant to Section 11(a)(iii), Dr. Stanley shall vacate his office and the Residence immediately.

Notwithstanding any other provision in this Agreement to the contrary, in the event the Board terminates Dr. Stanley for Cause, Dr. Stanley's employment by the University will cease immediately, and he will not be entitled to any further compensation or benefits, provided, however, that Dr. Stanley shall (y) receive (i) payment of any unpaid portion of his then-current Base Salary through the date of termination; (ii) payment of any Annual Bonus that the Board of Trustees authorized prior to the date of termination but that was then unpaid; (iii) reimbursement of any documented and approved expenses yet to be reimbursed; and (v) any vested benefits to which Dr. Stanley is entitled under the University's benefit plans, policies and procedures then in effect, and (z) retain any right to contribution, advancement of expenses, defense or indemnification that the President may have under the University's organization or governing documents or any separate indemnification agreement, or as provided under applicable law, and to coverage under any insurance policy relating to events occurring on or before the date of termination (collectively, the "**Accrued Rights**").

b. Termination Without Cause. The Board of Trustees may terminate this Agreement and Dr. Stanley's appointment as President without Cause at any time upon agreement of three quarters of the full Board of Trustees and thirty (30) days' written notice to Dr. Stanley.

   If the Board of Trustees terminates this Agreement and Dr. Stanley's position as President without Cause at any time after the Effective Date (whether prior to or after the Start Date) and prior to the expiration of the Term, Dr. Stanley will be entitled to receive (i) any Accrued Rights; and (ii) payments, in accordance with the University's normal payroll practices, equal to his then-current presidential Base Salary (less applicable deductions) and the usual benefits provided to executive level University employees for twelve (12) months.

   In addition, if the Board of Trustees terminates Dr. Stanley without Cause, Dr. Stanley shall be entitled to the post-presidency tenured faculty position as provided for in Section 12(b).

c. Resignation without Good Reason. Dr. Stanley may terminate this Agreement and his appointment as President without Good Reason by providing the Board of Trustees with at least ninety (90) days' prior written notice. In the event Dr. Stanley resigns from the Presidency, Dr. Stanley will not be entitled to any further compensation or benefits as President other than the Accrued Rights. During the period from the notice of Dr. Stanley's resignation through his last day serving as President of the University, Dr. Stanley shall fulfill his duties as President and shall cooperate and provide reasonable assistance in the transition to a new University president.

Upon resignation without Good Reason, Dr. Stanley shall have the option to return to the faculty as a tenured member of the College of Human Medicine-Distinguished Physician as provided in Section 12(b).

d. Resignation with Good Reason. Dr. Stanley may terminate this Agreement and his appointment as President at any time with Good Reason. For purposes of this Agreement, Good Reason shall mean, without Dr. Stanley's express prior written approval: (i) assigning Dr. Stanley to an office or Residence that is more than 25 miles from the current office of the President or then-current Residence, as applicable; (ii) a material decrease in Dr. Stanley's Base Salary or potential bonus opportunities, except for in the event of financial exigency resulting in a decrease to the salary or potential bonus opportunities of the Unviersity's senior management generally; (iii) a material diminution of Dr. Stanley's Duties or demotion from the position of President; or (iv) a material breach of this Agreement. The University shall have thirty (30) days after receiving notice from Dr. Stanley stating his intention to resign his employment as President for Good Reason, and the grounds therefor, to cure the condition giving rise to Good Reason. In the event the University cures the condition giving rise to Good Reason, Dr. Stanley's notice of intent to terminate for Good Reason shall be deemed to be automatically withdrawn and shall not constitute notice of voluntary resignation. In the event the University fails to cure the condition giving rise to Good Reason, upon Dr. Stanley's resignation as President for Good Reason, Dr. Stanley shall be entitled to receive (i) any Accrued Rights; and (ii) payments, in accordance with the University's normal payroll practices, equal to his then-current presidential Base Salary (less applicable deductions) and the usual benefits provided to executive level University employees for twelve (12) months.

In addition, if Dr. Stanley terminates his appointment as President with Good Reason, Dr. Stanley shall be entitled to the post-presidency tenured faculty position as provided for in Section 12(b).

e. Death or Permanent Disability as President. If Dr. Stanley dies or becomes permanently disabled while serving as President, this Agreement terminates on the date of death or permanent disability as determined by a physician mutually agreed upon by the Parties. The University shall pay to Dr. Stanley or Dr. Stanley's personal representative, and Dr. Stanley, his beneficiaries or his estate, as applicable, shall be entitled to all benefits to which he is entitled pursuant to any University disability insurance plan in which he participates, as well as any Accrued Rights.

For purposes of this Agreement, "**Permanent Disability**" means Dr. Stanley's inability to perform the essential functions of the job of President for a period of six (6) continuous months, with reasonable accommodations.

f. Expiration of the Term. If Dr. Stanley's appointment as President terminates due to the expiration of the Term, Dr. Stanley shall be entitled to receive any Accrued Rights.

12. Post-Presidency.

a. Sabbatical. Notwithstanding anything to the contrary in this Agreement, upon completion of the Term as President, Dr. Stanley shall be entitled to a one (1) year sabbatical with compensation equal to his annual Base Salary during his final contract year as President.

b. Tenured Faculty Position. Upon completion of the sabbatical year, Dr. Stanley's termination without Cause pursuant to Section 11(b), Dr. Stanley's resignation pursuant to Section 11(c), or Dr. Stanley's resignation pursuant to Section 11(d), Dr. Stanley shall have the option to return to the faculty as a tenured faculty member of the College of Human Medicine-Distinguished Physician. In this position, Dr. Stanley shall be entitled to compensation equal to fifty percent (50%) of his annual Base Salary during his final contract year as President.

13. Dispute Resolution.

The Parties agree to make a good faith effort to resolve any dispute arising from Dr. Stanley's employment or termination of employment in an amicable fashion.

a. Mediation. To the extent that any dispute arising from Dr. Stanley's employment or termination of employment cannot be resolved amicably between the Parties, the Parties agree to submit the dispute to non-binding mediation. Mediation shall be conducted in Lansing, Michigan by an experienced mediator selected jointly by the Parties. The mediator's fee shall be shared equally between the Parties. Mediation shall occur within thirty (30) days of the date of selection of the mediator.

b. Arbitration. If the mediation is unsuccessful, the dispute will be submitted to arbitration, initiated and conducted according to either the JAMS Streamlined (for claims under $250,000) Arbitration Rules and Procedures or the JAMS Comprehensive (for claims over $250,000) Arbitration Rules and Procedures of JAMS or its successor, except as modified herein, in effect at the time the request for arbitration is made (the "**JAMS Arbitration Rules**").

The arbitration shall be conducted in Lansing, Michigan, before a single neutral arbitrator appointed in accordance with the JAMS Arbitration Rules. The arbitrator shall follow Michigan law and the Federal Rules of Evidence in adjudicating the dispute and shall retain jurisdiction to oversee the enforcement of any award. Subject to the ability of the Parties hereto to vacate a decision or award under the Federal Arbitration Act, any decision or

award of the arbitrator shall be final, binding and conclusive on the Parties hereto and their respective affiliates, as applicable.

The Parties agree to equally divide the cost of any arbitration administrative fee and the compensation of the arbitrator.

14. Section 409A of the Internal Revenue Code.

This Agreement is intended to comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended ("**Section 409A**"). Accordingly, all provisions in the Agreement, or incorporated by reference, are to be construed and interpreted to comply with Section 409A and if necessary, any provision will be held null and void, to the extent such provision (or part thereof) fails to comply with Section 409A or regulations under that section. The University and Dr. Stanley agree that, for purposes of the limitations on nonqualified deferred compensation under Section 409A, each payment of compensation under this Agreement will be treated as a separate payment of compensation for purposes of applying the Section 409A deferral election rules and the exclusion from Section 409A for certain short-term deferral amounts. The University and Dr. Stanley also agree that any amounts payable solely on account of an involuntary separation from service of Dr. Stanley within the meaning of Section 409A will be excludible from the requirements of Section 409A, either as involuntary separation pay or as short-term deferral amounts (*e.g.,* amounts payable under the schedule prior to March 15 of the calendar year following the calendar year of involuntary separation) to the maximum possible extent. Notwithstanding anything to the contrary in this Agreement, all reimbursements and in kind benefits provided under this Agreement will be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (1) any reimbursement is for expenses incurred during the period of time specified in this Agreement, (2) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year, (3) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred, and (4) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit.

15. Notice.

All notices required or allowed by this Agreement must be hand delivered or mailed by certified mail, postage prepaid, return receipt requested. Unless and until changed by a Party giving written notice to the other, the addresses below will be the addresses to which all notices required or allowed by this Agreement must be sent:

If to the University:

Michigan State University
Attn: Chair of the Board of Trustees
Michigan State University
426 Auditorium Road
Hannah Administration Building, Room 450
East Lansing, Michigan 48824

With a copy (not constituting notice) to:

Raymond D. Cotton, Esq.
Nelson, Mullins, Riley & Scarborough LLP
101 Constitution Avenue, NW
Suite 900
Washington, D.C., 20001

If to the President:

Dr. Samuel L. Stanley, Jr.
Office of the President
Michigan State University
426 Auditorium Road
Hannah Administration Building, Room 450
East Lansing, Michigan 48824

With a copy (not constituting notice) to:

Deneen C. Howell, Esq.
Williams & Connolly LLP
725 Twelfth Street, NW
Washington, DC 20005

Delivery of any such notice shall be deemed to occur on the earlier of actual receipt or tender and rejection by the intended recipient.

16. Mutual Understanding.

Each Party warrants that he/it has read this Agreement, fully understands the contents of this Agreement, has had the opportunity to obtain independent legal advice regarding the Agreement's legal effect, and is under no duress regarding its execution.

17. Non-Assignable.

This Agreement is not assignable but shall be binding upon the heirs, administrators, personal representatives, and successors of both Parties.

18. Severability and Waivers.

If any portion of this Agreement is held to be invalid, inoperative, or unenforceable, then, so far as possible, effect will still be given to the intent manifested by that portion of this Agreement. The remainder of this Agreement will be of full force and effect. Waiver or failure to enforce any or all rights under this Agreement by any party on any occasion will not constitute a waiver of that party's right to assert the same or any other rights on that or any other occasion.

19. Governing Law.

This Agreement is to be governed and construed, and the rights and obligations of the Parties hereto will be determined, in accordance with the laws of the State of Michigan, including its statutes of limitation, without regard to any otherwise applicable principles of conflict of laws or choice of law rules (whether of the State of Michigan or any other jurisdiction) that would result in the application of the substantive or procedural laws or rules of any other jurisdiction.

20. Counterparts.

This Agreement may be executed in counterparts. Each counterpart is an original, and all together constitute but one of the same instrument. Signatures delivered by facsimile and by email will be deemed an original signature for all purposes, including for the applicable rules of evidence.

21. Complete Agreement.

This Agreement constitutes the entire agreement among the Parties and fully supersedes any and all prior agreements or understandings, written or oral, between the Parties pertaining to the matters set forth in this Agreement. This Agreement may not be amended, modified, or changed other than by mutual written consent of the Parties to be bound.

MICHIGAN STATE UNIVERSITY

By: [redacted]

Dianne Byrum
Chair, Board of Trustees

Date: 05-28-2019

[redacted]

Samuel L. Stanley, Jr., M.D.
In his individual capacity

Date: 5-28-2019